

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, JULY 20, 2011, AT 4:00 PM

IN THE MARY BRENNAN BOARD ROOM

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 4:00 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Kathleen C. Hittner, M.D; Joseph M. Cianciolo; Deborah M. Thomas; Bradford S. Dimeo; Michael A. Traficante.

BOARD MEMBERS ABSENT: Robert S. Sangster; Michael F. Ryan.

ALSO PRESENT: Kevin A. Dillon, A.A.E., President and CEO; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Dimeo and seconded by Mr. Cianciolo to

approve the minutes of the Board of Director's Meeting of June 14, 2011. The motion was passed unanimously.

2. Open Forum:

Dr. Hittner asked if anyone present wanted to speak in Open Forum.

Mr. Richard Langseth, representing the Greenwich Bay Watershed Group, made general suggestions to the Board for improvements to signage in the InterLink facility and in the main terminal building. Mr. Langseth also addressed his concerns regarding the Corporation's debt service, noting that in his opinion the Corporation has not been filing accurate information with the FAA as required under the grant stipulations. [Post Meeting Note: Mr. Langseth appears to have been referencing information presented in the FAA Form 5100-127. The FAA advised the Corporation on June 17, 2011, that changes they had made to the form had affected recent filings. As a result the FAA asked all airports to revalidate their respective submissions. The Corporation submitted its information, including debt service, to the FAA on July 12, 2011, eight days prior to the subject Board meeting. In addition, it should be noted that information regarding RIAC's debt service is available in its Audited Financial Statements that are posted on RIAC's website at www.pvdairport.com].

3. Report from President and CEO:

Mr. Dillon reported that he had recently accepted the following grants:

Block Island – MALSF/REILS \$ 91,653.00

**Providence – De-Icer Management System and Bid Phase
\$1,684,174.00**

**North Central – Reconstruct, Mark and Light TW B Design/Bid \$
339,407.00**

Mr. Dillon reported that passenger traffic for June was down 0.27%, and down 1.85% year to date. Mr. Dillon noted that traffic appears to be stabilizing.

Mr. Dillon reported that aircraft operations at T. F. Green were up 6.82% for the month of June, and down 2.08% year to date.

Mr. Dillon reported that total operations for the General Aviation Airports for June 2011 were up 0.59%, and total fuel sales were down 2.33%. It was noted that fuel sales continue to be impacted by the increase in fuel pricing.

Mr. Dillon reported that the Greater Providence Chamber of Commerce held a meeting at the airport on June 28th with members of the business community to discuss ways the business community can assist in air service marketing outreach. Mr. Dillon reported that companies were asked to provide key travel data so that RIAC can use it as a benchmark for route development initiatives.

Mr. Dillon reported that he is continuing the focus on air service marketing, and was working on the logistics for the Governor to meet with a major airline.

Mr. Dillon reported that AvPorts is continuing to transition into management of the General Aviation Airports, and is actively soliciting candidates for the position of General Manager.

Mr. Dillon reported that as in prior years the Corporation is working with TSA to prepare for the President's visit to Martha's Vineyard. Mr. Dillon noted that T. F. Green will again be one of three gateway airports. All general aviation traffic will be required to be screened at a designated gateway airport before traveling on to Martha's Vineyard.

Mr. Dillon reported that FAA has stated that they intend to issue the ROD at the end of August or beginning of September. Mr. Dillon took the opportunity to thank the RIAC staff, specifically Ann Clarke and Brenda Enos, who had worked on the EIS project.

Mr. Dillon gave a brief overview of several issues related to the EIS, notably the impact to several of the local cemeteries. Mr. Dillon explained what mitigation efforts could be implemented in order to cause minimal disruption to the burial grounds.

Mr. Dillon reported that HMS Host had recently opened the Shipyard Brewport in the baggage claim area.

Mr. Dillon reported that as a requirement of RI General Law § 1-2-3 – 12-Month Notice of Construction – public hearings have been scheduled on August 30th at William Hall Library in Cranston and September 1st at the Radisson Hotel in Warwick.

Mr. Dillon gave an update on legislation, specifically in relation to the bill on advice and consent which had been signed by the Governor. Mr. Dillon reported that there is no impact to the current Board appointments, but any future appointments or re-appointments would be subject to the advice and consent of the Senate.

Mr. Dillon reported on two staffing changes. Ms. Brenda Enos, Vice President, Environmental Systems will be leaving the Corporation to take up a position at Massport. Mr. Billy Cox, Manager, Business Administration will be leaving the Corporation to take up a position at CVS.

4. Action Items:

(a) Consideration of and Action Upon Approval of a Professional Services Agreement and Task Order for the Reconstruction, Marking and Lighting of Taxiway B AND Reconstruction of the On-Site Wastewater Treatment System at North Central Airport.

Mr. Dillon gave an overview noting that the agreement is for Design and Construction Phase Services for the Reconstruction, Marking and Lighting of Taxiway B and Reconstruction of the On-Site Wastewater Treatment System (OWTS) project at North Central Airport. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a Professional Services Agreement with HNTB Corporation, including a Task Order, to provide Design and Bid Phase Services for the Reconstruction, Marking and Lighting of Taxiway B and Reconstruction of the On-Site Wastewater Treatment System at North Central Airport.

A motion was made by Mr. Traficante and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, on March 7, 2011, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) for Design and Construction Phase Services for the Reconstruction, Marking and Lighting of Taxiway B and Reconstruction of the On-Site Wastewater Treatment System (OWTS) Project at North Central Airport pursuant

to RIAC Procurement Rules; and

WHEREAS, RIAC received seven proposals on March 28, 2011, in response to this RFP; and

WHEREAS, the Selection Committee comprised of Ann Clarke, Sr. VP of Planning, Engineering & Environmental; Billy Cox, Manager of Administration and Ahmed Shihadeh, Manager of Engineering reviewed and evaluated the proposals; and

WHEREAS, based on the evaluations, the Selection Committee unanimously recommends HNTB Corporation to perform these services; and

WHEREAS, RIAC staff has negotiated a Scope and Fee with HNTB in the amount of \$381,255 to provide Design and Bid Phase Services for this project; and

WHEREAS, the proposed Fiscal Year 2012 Capital Improvement Program (CIP) Budget includes \$3,094,085 for this project; and

WHEREAS, the Taxiway B portion of this project is eligible for 95% (\$338,457) reimbursement through the Federal Aviation Administrations (FAA) Airport Improvement Program (AIP), with RIAC's 5% (\$17,814) matching share through General Purpose Funds; and

WHEREAS, the OWTS portion of the Task Order (\$24,984) will initially be funded with General Purpose Funds, with expected reimbursement from the Rhode Island Department of Administration.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board approve the attached resolution authorizing the President and CEO, or his designee, to execute a Professional Services Agreement with HNTB including a Task Order in the amount of \$381,255 to provide Design and Bid Phase Services for the Reconstruction, Marking and Lighting of Taxiway B and Reconstruction of the On-Site Wastewater Treatment System at North Central Airport.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval of a Construction Contract for the Voluntary Land Acquisition Program – Demolition Services for T. F. Green Airport.

Mr. Dillon gave an overview of the contract. There was discussion of the scope of services provided under the contract and the process to complete demolition. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a construction contract with A. A. Wrecking Company, Inc., to provide

demolition services for up to twelve houses purchased under Phase 3 of the Voluntary Land Acquisition Program at T. F. Green Airport.

A motion was made by Mr. Traficante and seconded by Mr. Dimeo to approve the following resolution:

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) procurement rules to provide demolition services associated with twelve houses purchased under Phase 3 of the Voluntary Land Acquisition Program for T. F. Green Airport; and

WHEREAS, in May 2011 RIAC issued an Invitation for Bids (IFB) for demolition services for T. F. Green Airport; and

WHEREAS, three bids were received on June 14, 2011; and

WHEREAS, RIAC staff has determined that A. A. Wrecking Company, Inc. (AA) submitted the lowest responsive bid in the amount of \$243,750; and

WHEREAS, these costs are included in the Noise Mitigation section of the approved Fiscal Year 2012 Capital Improvement Program budget; and

WHEREAS, this Contract will be funded 80% (\$195,000) through the

Federal Aviation Administration's Airport Improvement Program with RIAC's 20% (\$48,750) matching share through Passenger Facility Charges.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board approve the attached resolution authorizing the President and CEO, or his designee, to execute a Construction Contract with A. A. Wrecking Company, Inc. to provide demolition services associated with Phase 3 of the Voluntary Land Acquisition Program for T. F. Green Airport in the amount of \$243,750.

The motion was passed unanimously.

(c) Consideration of and Action Upon Approval of a Second Amendment to the Full Service Fixed Base Aircraft Operator Agreement at T. F. Green Airport.

Mr. Dillon gave an overview of the amendment, noting that this amendment will allow Northstar to construct a new, first class FBO facility and related improvements in order to increase the quality of services provided at T. F. Green Airport. There was discussion of the proposed terms of the amendment. The recommendation is that the Board authorize the President and CEO, or his designee, to execute the Second Amendment to the Full Service Fixed Base Aircraft Operator Agreement between the Rhode Island Airport Corporation

and Northstar Aviation, Inc., containing terms in substantially the form as presented.

A motion was made by Mr. Cianciolo and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, on December 28, 2007, the Rhode Island Airport Corporation (RIAC) and Northstar Aviation Inc. (Northstar) entered into a Full Service Fixed Base Aircraft Operator Agreement (Agreement); and

WHEREAS, pursuant to the Agreement Northstar engages in and operates a full service Fixed Base Operations (FBO) at T. F. Green Airport upon terms and conditions set forth therein. That Agreement expires on December 31, 2017; and

WHEREAS, on May 28, 2008, RIAC and Northstar entered into the First Amendment to the Agreement to clarify fuel flowage fees for Jet-A fuel throughput at Northstar's fuel farm, which is located on the Premises covered by the Agreement; and

WHEREAS, RIAC staff has been in discussions with Northstar regarding a Second Amendment to the Agreement to allow Northstar to construct a new, first class FBO facility (New Facility) and related improvements in order to increase the quality of services provided at T. F. Green Airport; and

WHEREAS, RIAC staff recommends that the following terms be incorporated into the Second Amendment to the Agreement:

Lease Term: Section 2 of the Agreement shall be amended to reflect a term of 30 years and an Expiration Date of December 31, 2037.

Premises: The Premises, as defined in the Agreement, shall be amended to remove the existing facility and replace it with the New Facility and related improvements.

Ground and Building Rent: The language in Section 5.1 and 5.2 shall be amended to reflect the current total rent for both the ground and building as one monthly requirement for the use of the Premises. The current monthly rent will be reflected as \$19,408.43. This amount will continue to be updated in accordance with Section 5.2 of the Agreement with the exception that the total monthly rent beginning in January 2018 will be reduced by \$2,463.56 which represents the amount allocable to building rent prior to the second Amendment.

Investment: Northstar shall demolish the existing facility and construct the New Facility on the site. The minimum investment in the new facility will be \$5 million. The amendment will clearly state the RIAC shall have the right to review and approve all design and construction activities. Physical construction of the New Facility shall commence within one year of the execution of the Second

Amendment, otherwise the Agreement shall be terminated.

Utilities, Taxes and Maintenance Expenses: All utility, tax and maintenance expenses related to the Premises (including the New Facility) will remain the responsibility of Northstar. The Amendment will incorporate certain maintenance and improvement standards related to the New Facility and related improvements. Based to the length of the potential new term and based on an analysis of the useful life of the fuel storage tanks, the Amendment will reflect that Northstar shall be solely responsible for any required fuel storage tank modifications or upgrades. The current fuel storage capacity shall not increase during the term of the Amendment.

Approvals: Northstar, at its sole cost, is responsible for applying for and obtaining any required approvals and permits, be they Federal, State or Local, to include any environmental permitting which may be required, to enable the construction of the improvements.

Construction Responsibilities: Northstar will construct and develop the New Facility and related infrastructure.

Payment, Performance and Lien Bond: Northstar, directly or through its contractors, will be required to provide labor, material, payment, performance, and lien bonds in an amount necessary to complete construction of the New Facility and related improvements.

Ownership of the New Facility and Related Improvements: On the last day of the Term, or if earlier terminated, the New Facility and related improvements shall automatically, without the necessity of any further action on the part of RIAC or Northstar, become the property of RIAC, and Northstar will assign, transfer, and convey the New Facility and related improvements to RIAC as of the last day of the Lease Term, free and clear of all liens, encumbrances, and equities of third parties claiming by, through or under Lessee.

Customer Service Standards: RIAC shall have the right to establish and/or approve customer service standards of Northstar.

Insurance Requirements: Consistent with the terms of the existing Agreement. Northstar shall continue to maintain all insurance and other requirements related to the New Facility and the Fuel Tanks. Certain requirements specific to the construction activities may be updated and reflected in the Second Amendment.

Other Terms and Conditions: All other terms and conditions of the Agreement and the First Amendment will be ratified, confirmed and approved in all respects and shall remain in full force and effect.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute the Second Amendment to the Full Service Fixed Base

Aircraft Operator Agreement between the Rhode Island Airport Corporation and Northstar Aviation Inc., containing terms in substantially the form as presented in this resolution.

The motion was passed unanimously.

(d) Consideration of and Action Upon A Lease Agreement for Premises Located in and Adjacent to Hangar 2 at T. F. Green Airport.

Mr. Dillon gave an overview of the proposed agreement. There was discussion of land use and corporate development initiatives at the airport. The recommendation is that the Board authorize the President and CEO, or his designee, to execute an eighteen month lease agreement with Federal Express Corporation for premises located in and adjacent to Hangar 2 at T. F. Green Airport.

A motion was made by Ms. Thomas and seconded by Mr. Dimeo to approve the following resolution:

WHEREAS, Federal Express Corporation (FedEx) currently leases certain premises located in and adjacent to Hangar 2 at T. F. Green Airport; and

WHEREAS, RIAC staff is currently working with FedEx to execute a new Lease Agreement to add additional areas in Hangar 2 to the premises currently leased; and

WHEREAS, the additional premises are required for FedEx to utilize larger aircraft at T. F. Green; and

WHEREAS, the new Lease Agreement will include a term of eighteen months and the following rental rates:

Fiscal Year 2012 Rate

(per square foot) Fiscal Year 2013 Rate

(per square foot)

Hangar Space \$8.40 \$8.60

Office and Storage Space \$13.00 \$13.25

Trailer Parking Area \$2.75 \$2.80

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute an eighteen month Lease Agreement with Federal Express Corporation for premises located in and adjacent to Hangar 2 at T. F. Green Airport.

5. Executive Session:

At approximately 4:28 p.m. a motion was made by Mr. Dimeo and seconded by Mr. Cianciolo to go into Executive Session for the purposes of discussing the following items:

(a) Motion to Approve the Minutes of the Executive Session Held on June 14, 2011 – R.I.G.L. § 42-46-5(a)(2), (5); and

(b) Discussion Related to One Potential Litigation Matter (EIS) and One Pending Matter (Fire Watch) - R.I.G.L. § 42-46-5(a)(2); and

(c) Investment of Public Funds Where Premature Disclosure Would Be Detrimental to the Public Interest (Airport and Air Service Development) – R.I.G.L. § 42-46-5(a)(7); and

(d) Motion to Return to Open Session.

By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Joseph M. Cianciolo

Deborah M. Thomas

Bradford S. Dimeo

Michael A. Traficante

NAYS: None

ABSTAIN: None

At approximately 4:56 p.m., a motion was made by Ms. Thomas and

seconded by Mr. Traficante to reconvene to the Open Session. The motion was passed unanimously.

6. Post Executive Session Actions and Announcements:

(a) Motion to Seal the Minutes of the Executive Session Held on July 20, 2011.

A motion was made by Mr. Dimeo and seconded by Mr. Cianciolo to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Joseph M. Cianciolo

Deborah M. Thomas

Bradford S. Dimeo

Michael A. Traficante

NAYS: None

ABSTAIN: None

(b) Report on Actions Taken During Executive Session:

During the Executive Session a motion was made by Mr. Dimeo to

approve the sealed minutes of the Executive Session held on June 14, 2011. The motion was seconded by Mr. Cianciolo. The motion was passed unanimously.

7. Future Meetings:

The next meeting will be announced.

8. Adjournment:

Mr. Traficante moved to adjourn at approximately 4:58 p.m. Ms. Thomas seconded the motion. The motion was passed unanimously.

Respectfully submitted,

**Kathleen C. Hittner, M.D., Chair
Rhode Island Airport Corporation**

**PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, JULY 20, 2011**

NAME AFFILIATION

Peter Frazier RIAC

Patti Goldstein RIAC

Ann Clarke RIAC

Robert Goff New England Parking

Woody Creswell The Paradies Shops

Paul McDonough Louis Berger

Val Mendonca HNTB

John Howell Warwick Beacon

Bob Furey Hoyle, Tanner and Associates

Nils Gonzalez Hoyle, Tanner and Associates

Laurie Brayton Senate Fiscal Office

Richard Langseth Greenwich Bay Watershed

The minutes of the Executive Session of the Board Meeting of July 20, 2011, have been sealed in accordance with R.I.G.L. § 42-46-4.